

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1880 - SB 2327

February 9, 2018

SUMMARY OF BILL: Requires charter schools identified as priority schools to develop a school improvement plan within 90 days of identification. Revokes, or prohibits renewal of, a charter agreement if the school remains on the priority list for two consecutive cycles.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent a charter school closes under the provisions of this legislation, there will be a delayed shift of Basic Education Program (BEP) funding from the public charter school to the respective local education agency. The extent and timing of any delayed shift of BEP funding cannot be reasonably determined for such impacts are dependent upon unknown factors.

Assumptions:

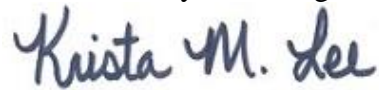
- Under Tenn. Code Annotated § 49-13-122, a charter school outside of the Achievement School District is closed once it is identified as a priority school.
- Under this legislation, all charter schools will be closed once they are identified two consecutive times as a priority school.
- The impact of this legislation is dependent upon two possible outcomes:
 - (1) the charter school that would close under current law still closes under the provisions of this legislation (which represents a delay in the outcome that would occur under current law); and
 - (2) the charter school that would be closed under current law is able to remain open as a direct result of the second chance provided by this legislation (which represents a change in outcome relative to current law).
- To the extent a charter school closes under either scenario, there will be an unknown delay in Basic Education Program (BEP) funding shifting from the charter school back to the applicable local education agency (LEA), the time for which will run from the point the charter school is first identified as a priority school until after the second time the charter school is identified as a priority school.
- To the extent a charter school is able to be removed from the priority school list as a direct result of additional time allowed pursuant to this legislation, when the charter school would be closed under current law, BEP funding that would shift back to the

applicable LEA under current law, will no longer shift from the charter school back to the applicable LEA. As a result, the charter school would continue receiving the same amount of BEP funding that it does under current law. Therefore, any impact associated with this scenario is considered not significant.

- Due to unknown factors, such as the number of effected LEAs and charter schools, and the amounts of BEP funding received by such charter schools, the extent and timing of any delayed shifts in state and local BEP funds cannot be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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